

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, Hawaii 96813

June 23, 2006

Chairperson and Members
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Land Board Members:

SUBJECT: Amend Prior Board Action of May 26, 2006 (Item C-1), Approval of a continuing contractual relationship for operation of the Captive Propagation Program with the Zoological Society of San Diego

Background: The following item was previously considered, recommended, and approved by the Board of Land and Natural Resources.

1. Board meeting of May 26, 2006: Approval of a proposed contract with the Zoological Society of San Diego to provide services to operate the State-leased captive propagation facilities on Maui, and to provide expert avicultural services to conduct related forest bird propagation projects at the Keauhou Bird Conservation Center, Volcano and throughout the state. As approved this proposed contract would provide \$712,000 of federal funds (\$377,000 in FY07 and \$335,000 in FY08).

Ongoing discussions in May and June with representatives from the U.S. Fish and Wildlife Service and the Zoological Society of San Diego, resulted in the decision to move forward with building a productive captive flock of Maui Parrotbills (*Pseudonestor xanthophrys*). Maui Parrotbills are restricted to a 50 square kilometer (19 square mile) area on the northwestern slopes of Haleakala, and the population is estimated to be approximately 500 individuals. Maui Parrotbills are susceptible to extinction from a number of factors including: a low reproductive rate, disease, predation from non-native species, habitat loss and degradation, and a small population size. Both state and federal agencies have long recognized that establishing a second population of Maui Parrotbills is critical to the species' long-term survival. Given the relatively small number of wild individuals, the source of birds for a second population should be captive reared individuals. Ongoing restoration efforts in the Kahikinui region of leeward east Maui by the Division of Forestry and Wildlife and its partners, makes this location a likely re-introduction site.

ITEM C-1

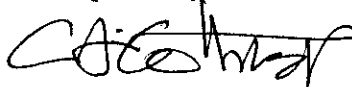
Currently there are 10 individuals in captivity; however, most are the offspring of a single female. To increase the number of individuals in captivity, wild eggs and nestlings will be taken from the wild. To accomplish this goal, an additional \$15,000 per year needs to be added to the contract to defray the cost of hiring personnel needed to monitor and care for Maui Parrotbill eggs and nestlings, and to develop propagation and release methodologies. This addition would increase the proposed contract amount from \$712,000 to \$742,000 (\$392,000 in FY07 and \$350,000 in FY08).

RECOMMENDATIONS

That the Board of Land and Natural Resources authorize the Chairperson to negotiate and execute a Contract for Services for two years in the amount not to exceed \$742,000 with the Zoological Society of San Diego, subject to:

1. The receipt of Federal grants and availability of Federal funds for the contract,
2. The approval by the Chief Procurement Officer of this as an exempt purchase, and
3. Approval as to form by the Attorney General's Office

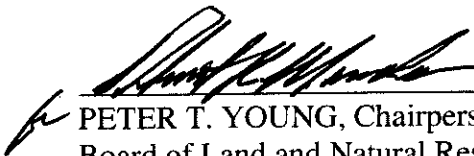
Respectfully submitted,



 PAUL J. CONRY
Administrator

Attachment

APPROVED FOR SUBMITTAL:


PETER T. YOUNG, Chairperson
Board of Land and Natural Resources

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, Hawaii 96813

May 26, 2006

Chairperson and Members
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Land Board Members:

SUBJECT: REQUEST FOR APPROVAL TO ENTER INTO A 2-YEAR CONTRACT WITH THE ZOOLOGICAL SOCIETY OF SAN DIEGO TO PROVIDE SERVICES TO OPERATE THE ENDANGERED BIRD CAPTIVE PROPAGATION FACILITY ON MAUI, THE MAUI BIRD CONSERVATION CENTER, AND TO PROVIDE EXPERT AVICULTURAL SERVICES TO CONDUCT RELATED FOREST BIRD PROPAGATION PROJECTS AT THE KEAUHOU BIRD CONSERVATION CENTER ON THE ISLAND OF HAWAII AND THROUGHOUT THE STATE

This Board Submittal approves continuing a contractual relationship for operation of the Captive Propagation Program with the Zoological Society of San Diego for an additional two years and authorizes the Chairperson to enter into a contract for these services, subject to the necessary procurement approvals.

BACKGROUND: In 1996, the Division approached the Board to obtain permission to outsource aspects of the State's Captive Propagation Program. This was viewed as advantageous, as it enabled the hiring of expert personnel to operate the program who offered a better level of services at less cost as well as efficiencies in the day-to-day operation of the program. It also allowed DOFAW to focus its limited resources on management and restoration of habitat on the 800,000 acres of state lands that the Division manages, and on other essential recovery actions for endangered species. The US Fish and Wildlife Service, a key Partner in our endangered bird recovery efforts, had recently entered into a contract with The Peregrine Fund, Inc. (TPF) to operate a newly developed captive propagation facility on the island of Hawaii. This presented the opportunity to consolidate both facilities under one manager – thus integrating

ITEM C-1

captive propagation and reintroduction programs in Hawaii. The Board approved the privatization of the captive propagation program with TPF in March 1996, issued a 20-year lease on the State's facilities at Olinda, and began a series of contracts to operate the State's program that continued through Fiscal Year 2006.

In October of 1999, TPF notified the Department and the U.S. Fish and Wildlife Service that they believed the next needed level of achievement in the program would be accomplished best by the transition of TPF's operational role to another entity, and recommended the Zoological Society of San Diego (ZSSD). Key to the recommendation of ZSSD was an ongoing collaboration between these institutions, that would facilitate a smooth transition without a change in the operational management staff. The Board took the following actions to address that transition.

PRIOR BOARD ACTIONS

1. August 27, 1999. The Board approved TPF FY00 Contract with provisions for an option to subcontract or assign the contract. The Board also asked the Department to address public concerns for more information and openness in the program.
2. December 10, 1999. The Board approved the assignment of TPF's FY00 contract obligations and liabilities to ZSSD. The Board also approved that the Department develop a transition plan for operation of the facilities that meets all federal and state procurement standards. The Department reported on the Partnership's commitment to provide more information to the public via outreach efforts, obtain input on Annual and Five-Year Workplans, provide for responsible data sharing, and the formation of a Veterinary Advisory Group.
3. June 9, 2000. The Division reported on the transition plan that included a letter of inquiry to 30 zoos. Only ZSSD responded that they were willing and able to run the program at that time. The Board authorized the Division to begin a sole source contract process for the ZSSD to operate the Maui facility for FY01 and FY02, and to transfer the lease from TPF to ZSSD.
4. November 17, 2000. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii, and conduct related forest bird propagation projects throughout the State.
5. August 23, 2002. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/19/02 (Exempt Purchase Approval No. 02-55-J).

6. May 14, 2004. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/16/04 (Exempt Purchase Approval No. 02-55-J).

CONTRACT PROVISIONS

The proposed contract will provide \$712,000 of federal funds (\$377,000 in FY07 and \$335,000 in FY08) to the Zoological Society of San Diego, to provide services to operate the State-leased captive propagation facilities on Maui, and to provide expert avicultural services to conduct related forest bird propagation projects at the Keauhou Bird Conservation Center, Volcano and throughout the State (Attachment A). This contract will be effective for the period July 1, 2006 to June 30, 2008. The \$712,000 is composed entirely of Federal funding provided to the state through a grant from the U.S. Fish and Wildlife Service. The Zoological Society of San Diego will provide \$237,333 of private funds or in-kind services to meet the State matching requirement for these Federal funds. Entering into the contract and continuing the contract for Year 2 (FY08) will be contingent on continued receipt of Federal grants and availability of Federal funds for this project.

The major activities planned for the program will be to continue to develop and implement successful captive propagation and reintroduction programs for 'Alalā, Puaiohi, Nēnē, Maui Parrotbill, and Palila, as outlined in the Five Year Workplan 2004-2009. The Zoological Society of San Diego will provide personnel, goods and services to operate and maintain the Maui facilities as an integrated program with the Hawai'i facilities; provide care and breeding of captive endangered birds; assist in collection and release of forest birds; administer the program; and provide annual progress and financial reports by November 15, 2007 and 2008. The scope of work implements the next two years of the jointly developed captive propagation work plan. The 2004-2009 Work Plan is posted on the DLNR web site for public information. The plan will be revised and updated in late 2006 by the interagency captive propagation working group and released for public input.

Upon approval by the Board, the Division will process a procurement exemption request for the purchase of these services from The Zoological Society of San Diego, negotiate the terms and conditions of the contract based on the parameters discussed above, submit the contract for review and approval as to form by the Attorney General, and process the document for signature by the Chairperson.

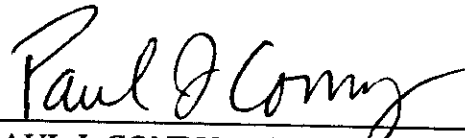
May 26, 2006

RECOMMENDATION:

That the Board authorize the Chairperson to negotiate and execute a Contract for Services for two years in the amount not to exceed \$712,000 with the Zoological Society of San Diego subject to:

1. The receipt of Federal grants and availability of Federal funds for the contract,
2. The approval by the Chief Procurement Officer of this as an exempt purchase, and
3. Approval as to form by the Attorney General's Office.

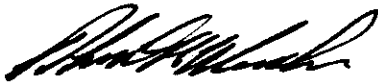
Respectfully submitted,



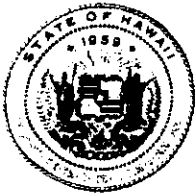
PAUL J. CONRY, Administrator
Division of Forestry and Wildlife

Attachment A

APPROVED FOR SUBMITTAL:



PETER T. YOUNG, Chairperson
Board of Land & Natural Resources



STATE OF HAWAII
CONTRACT FOR GOODS AND SERVICES
 (IN THE FOLLOWING CATEGORIES: EXEMPT; SMALL PURCHASE;
 SOLE SOURCE; OR EMERGENCY)

This Contract, executed on the respective dates indicated below, is effective as of
July 1, 2006, between Board of Land and Natural Resources,
(insert name of state department, agency, board or commission)
 State of Hawaii ("STATE"), by its Chairperson,
(insert title of person signing for State)
 (hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
 whose address is 1151 Punchbowl Street, Room 130, Honolulu, Hawaii 96813
and Zoological Society of San Diego
 ("CONTRACTOR"), a Non-profit Corporation,
(insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
 under the laws of the State of California, whose business address and federal
 and state taxpayer identification numbers are as follows: P.O. Box 120551, San Diego, California
92112-0551; FEIN# 95-164-8219; Hawaii General Excise ID # 30117317

RECITALS

A. The STATE is in need of the goods and services, or both, described in this Contract and its attachments. The CONTRACTOR is agreeable to providing the goods and services, or both, as the case may be.

B. This Contract is for (check one box):

☒ (1) A procurement expenditure of public funds for goods or services, or both, that is otherwise exempt from public bidding as set forth in section 103D-102, Hawaii Revised Statutes ("HRS"), and chapter 3-120, Hawaii Administrative Rules ("HAR"); or

☐ (2) A small purchase procurement of goods or services, or both, as set forth in section 103D-305, HRS, and subchapter 8, chapter 3-122, HAR; or

☐ (3) A sole source procurement of goods or services, or both, as set forth in section 103D-306, HRS, and subchapter 9, chapter 3-122, HAR; or

☐ (4) An emergency procurement of goods or services, or both, as set forth in section 103D-307, HRS, and subchapter 10, chapter 3-122, HAR.

C. Money is available to fund this Contract pursuant to:

(1) (Identify state sources)

or (2) U.S. Fish and Wildlife ESA Section 6 Program (16 U.S.C. 1531-1543) (S-204)
(Identify federal sources)

or both, in the following amounts: State \$ 0.00
 Federal \$ 744,000.00

D. Pursuant to HRS 171-6, the STATE
(Legal authority to enter into this Contract)

is authorized to enter into this Contract.

E. The agency's Chief Procurement Officer is Aaron Fujioka
 who ☒ has approved this procurement or ☐ is not required to approve this procurement.

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in Attachment-S1, which is made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed seven hundred forty-four thousand DOLLARS (\$ 744,000.00), including approved costs incurred and taxes, according to the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS (\$ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of (Not applicable) DOLLARS (\$ _____) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by any party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

(Signature) _____

Peter T. Young

(Print Name) _____

Chairperson, Department of Land and Natural Resources

(Print Title) _____

(Date) _____

CONTRACTOR

Zoological Society of San Diego

(Name of Contractor) _____

(Signature) _____

(Print Name) _____

(Print Title) _____ *

(Date) _____

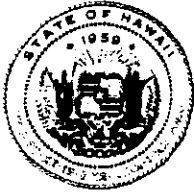
CORPORATE SEAL

(If available)

APPROVED AS TO FORM:

Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF _____)
) SS.
_____ COUNTY OF _____)

On this _____ day of _____, _____ before me appeared
_____ and _____, to me
known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are
_____ and _____ of
_____, the
CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said
instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said
instrument as the free act and deed of the CONTRACTOR.

(Notary Seal)

(Signature)

(Print Name)

Notary Public, State of _____ California

My commission expires: _____



STATE OF HAWAII

**CERTIFICATE OF EXEMPTION
FROM CIVIL SERVICE****1. By Heads of Departments or Agencies as Delegated by the Director of the Department of Human Resources Development (“DHRD”).***

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature)

Peter T. Young

(Print Name)

Chairperson, DLNR

(Print Title)

(Date)

* This part of the form may be used by all department heads and others to whom the Director of DHRD has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. **NOTE:** Authority to certify exemptions under §§76-16(b)(2), 76-16(b)(12), and 76-16(b)(15), HRS, has not been delegated; only the Director of DHRD may certify §§76-16(b)(2), 76-16(b)(12), and 76-16(b)(15) exemptions.

2. By the Director of DHRD, State of Hawaii.

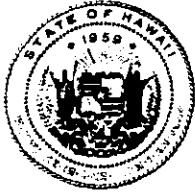
I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Date)

(Print Name)

(Print Title, if designee of the Director of DHRD)



STATE OF HAWAII
**CONTRACTOR'S
STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Zoological Society of San Diego, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

CONTRACTOR

By _____

(Signature)

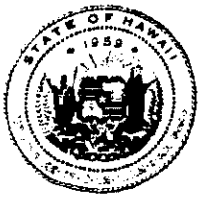
Print Name _____

Print Title _____

Name of Contractor Zoological Society of San Diego

Date _____

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).



STATE OF HAWAII

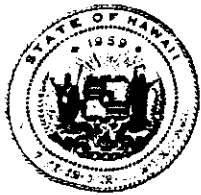
SCOPE OF SERVICES

1. PROJECT: Provide services to operate the Maui Bird Conservation Center (MBCC) captive propagation facility at Olinda, Maui and conduct related Hawaiian forest bird conservation and restoration projects at the Keauhou Bird Conservation Center (KBCC) and throughout the State.

2. OBJECTIVES: Provide expert avicultural services to care for and breed captive endangered bird species following recommendations and guidelines of Partnership Annual and Five-year Workplans. Species currently include: 'Alala, Nene, Maui Parrotbill, Palila, Hawai'i 'Akepa, Hawai'i Creeper, Akohekohe and Puaiohi. Upon continuing mutual agreement, participate in conservation actions designed to recover other Hawaiian bird species currently held in captivity or, by mutual agreement, species newly brought into captivity at KBCC or MBCC or in the field; develop avicultural techniques for the propagation and restoration of endangered Hawaiian forest birds; participate in collection and release efforts that have been agreed upon by the partners; and provide review to the partners on captive propagation and recovery actions pertaining to this program.

3. SCOPE OF SERVICES: To achieve the above objectives, the CONTRACTOR shall provide the following services:

- a) In partnership with the Hawai'i Division of Forestry and Wildlife and the U.S. Fish and Wildlife Service, plan and implement activities to propagate endangered and other select species of Hawaiian birds at MBCC and KBCC as part of the State of Hawaii's Captive Propagation Program.
- b) Provide adequate personnel, goods, and services to operate and maintain the Maui Bird Conservation Center at Olinda, Maui and the Keauhou Bird Conservation Center, in Volcano, Hawaii.
- c) Provide daily care for the birds maintained at the MBCC and KBCC and determine basic husbandry requirements for each species including routine avicultural procedures, breeding season management, social and behavioral requirements, artificial incubation parameters, and hand-rearing protocols.
- d) Monitor the health and well being of the birds being held at the MBCC and KBCC and provide routine and emergency veterinary care.
- e) When necessary, develop avicultural techniques to breed common surrogate species; evaluate and apply these techniques to breeding the more rare and endangered Hawaiian forest birds.
- f) Collect data on daily events, reproductive biology and performance, artificial incubation, chick hand-rearing and development, dietary requirements and nutritional habits, and bird behavior.
- g) Maintain accurate and up-to-date records of the collection's history and the accomplishments of each program.
- h) Participate in field recovery aspects of the captive propagation program including the release of birds reared in captivity; the collection of eggs; and as program needs require and as mutually agreed upon by all partners, the collection of nestlings and adults.
- i) Respond to partner agency requests for review on captive propagation and management issues that pertain to implementation of the State of Hawaii's Captive Propagation Program.
- j) Participate on working groups and recovery teams as requested and as time permits.
- k) Keep financial records in a manner that meets the reporting requirements for the federal aid funds provided by the State.



STATE OF HAWAII

SCOPE OF SERVICES

- l) Provide an annual progress and financial report for fiscal year 2007 on or before November 15, 2007 and for fiscal year 2008 on or before November 15, 2008.
- m) In partnership with the Division of Forestry and Wildlife and the U.S. Fish and Wildlife Service, jointly review and update the program's Five Year Workplan for 2004-2009, incorporating input from advisory groups and the public.
- n) Establish, coordinate, and maintain a Veterinary Advisory Consortium consisting of ZSSD, State, Federal and facility veterinarians to provide veterinary care of the captive flock. The ZSSD Veterinary Consortium Coordinator and Program Director(s) will advise the Partnership on veterinary and disease issues.
- o) Allocate approximately \$60,000 toward the construction of Alala aviaries at KBCC in collaboration with FWS, provided that FWS funds are available for such collaboration, and subject to continued recommendations of the Partnership Five-year Workplan.
- p) **TIME SCHEDULE:** The term of contract for providing services under this agreement shall be July 1, 2006 to June 30, 2008. An annual financial report and report of activities for each fiscal year is required to be submitted on or before November 15, 2007 for fiscal year 2007, and on or before November 15, 2008 for fiscal year 2008.
- q) **TIME EXTENSION:** Upon the written request and for good cause, an extension to the completion date of this agreement may be proposed by either Party and shall become effective upon written approval by the other party.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. **SCOPE OF PAYMENT:** In full consideration of the services to be performed under this contract, the STATE agrees to pay the CONTRACTOR a total sum not to exceed SEVEN HUNDRED TWELVE THOUSAND AND NO/100 DOLLARS (\$712,000) according to the schedule outlined below that includes fiscal years 2007 and 2008. All funds shall be paid by the STATE to the CONTRACTOR, subject to appropriations, on an annual basis for the forthcoming fiscal year according to the schedule outlined below:

Fiscal Year 2007: \$377,000

Fiscal Year 2008: \$335,000

If in either fiscal year 2007 or 2008, the STATE does not appropriate, and/or the BOARD does not approve the expenditure of funds sufficient to meet the STATE's funding obligation under this AGREEMENT, this AGREEMENT shall automatically terminate without penalty at the end of the last fiscal year for which any funds have been appropriated.

2. **FISCAL YEAR PAYMENTS:** Subject to the availability of federal funds and the annual appropriation of funds, the State shall provide the following payments:

Fiscal Year 2007: \$377,000

Fiscal Year 2008: \$335,000

Total Payment: \$712,000

3. **PARTIAL PAYMENTS:** As work progresses and upon application by the CONTRACTOR, the State will make partial payments as requested based upon documented allowable reimbursable expenses.

4. **REIMBURSEMENT BASIS:** The total sum paid to the CONTRACTOR shall be based on a partial reimbursement basis of 75% of allowable costs up to \$377,000 in year 1 and \$335,000 in year 2. In order to receive full payment, the CONTRACTOR must document allowable charges totaling \$503,000 in year 1 and \$446,000 in year 2. The STATE will reimburse the CONTRACTOR for 75% of those costs up to a maximum of \$377,000 in year 1 and 335,000 in year 2, subject to the provision for FINAL PAYMENT in item 5.

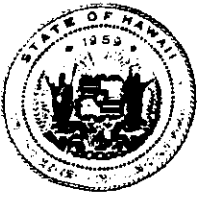
5. **FINAL PAYMENT:** \$2,000 of the total per fiscal year shall be withheld by the STATE until the CONTRACTOR successfully complies with all the terms and conditions of this agreement.

6. **INITIATING WORK:** All work completed by the CONTRACTOR prior to receipt of a fully-executed copy of this AGREEMENT, and prior to STATE and BOARD approval of funding for any subsequent years, shall be at the CONTRACTOR's own volition and risk, including work performed during the period of any deliberations by the BOARD or DEPARTMENT in anticipation of approval; provided, however, that if funding and/or amendments applicable to such work are subsequently approved, the CONTRACTOR may be paid for such work even if performed prior to such approval.



STATE OF HAWAII
TIME OF PERFORMANCE

The time of performance for the specified contract with the Zoological Society of San Diego is July 1, 2006 to June 30, 2008.



STATE OF HAWAII

SPECIAL CONDITIONS

The following special provisions shall apply to this agreement:

1. **PUBLICITY:** It is expressly understood and agreed to by the STATE that General Condition No. 25 dealing with Publicity shall not be applicable to acknowledgment of the STATE's participation and funding of the project in any of the CONTRACTOR's reports, brochures, advertisements or other information released to the media or public nor shall it prohibit the CONTRACTOR from providing information on the STATE's activities associated with the Program. The CONTRACTOR shall refer all inquiries about STATE policy or administration of the Program to the CHAIRPERSON.
2. **RETENTION AND EXAMINATION OF RECORDS:** It is expressly understood and agreed to by the CONTRACTOR that the STATE or any of its duly authorized representatives shall have access to any pertinent books, documents, papers and records of the CONTRACTOR, whether written, printed, recorded, produced or reproduced by any mechanical, magnetic or other process or medium, in order to make audits, inspections, excerpts, transcripts or other examinations as authorized by law.
3. **NONDISCRIMINATION:** It is expressly understood and agreed to by the CONTRACTOR that it is subject to Title VI of the Civil Rights Act of 1964, Section 504 of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972; and offers all person the opportunity to participate in public programs regardless of race, color, national origin, age, sex or disability. The Contractor agrees that no individual will be turned away from, or otherwise denied access to, or benefit from any program it sponsors that is directly associated with a program of the contractor on the basis of race, color, national origin, age, sex or disability. A violation of this assurance may become reason to nullify this contract.

Financial records identified above shall be retained for a period of three years after submittal of the final financial report except that if any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or findings have been resolved.

The CONTRACTOR is responsible for compliance with any applicable federal grant requirements as specified in Office of Management and Budget Circulars for non-profit organizations.